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EX

CONTINUING PROPERTY RECORD

12-31-79

OFFICIAL FILE

I.C.C. DEKST NO. 03 0398
Staff EXHIBIT NO. 14

Witness
Date 11/18/03 Person 58

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9/4/80

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WILL COUNTY WATER COMPANY

Introduction

Will County Water Company provides water and sewer service in Shorewood, Illinois. At December 31, 1979, it provided services to 836 water customers, 1,119 sewer customers. A map of the service area is included on page 43.

Will County Water Company was organized in 1964 as EMCO Utility Company. A well was drilled 700 feet, approximately one-half the depth of its final construction, and the sewage disposal plant was about 70-75% completed.

In 1967, the present owners acquired all of the stock of EMCO Utility Company, finished construction of the water supply and sewage treatment facilities, and started rendering service in 1968. It also changed the name of the company to Will County Water Company on November 17, 1967.

The growth of the Company as shown by the average number of customers through 1972 and year-end from 1973-1979, is as follows:

	<u>Water</u>	<u>Sewer</u>
1968	15	17
1969	34	47
1971	117	118
1971	188	154
1972	267	237
1973	353	346
1974	394	395
1975	439	502
1976	497	785
1977	613	894
1978	735	1,000

In 1975, the Company contracted to serve a special sewer service district in the Village of Shorewood on a wholesale basis, and agreed to operate the system for the Village. Under the contract, the Company bills the Village customers at the same rate charged its customers, collects the money as its fees for operating the system and treating the sewage. At December 31, 1979, there were 291 sewer customers on the Village system, and are included in the table above.

There has been a continual expansion of the distribution system, with the central plants expanded as follows:

- Water: 1972 - Added 200,000 gallon reservoir and high service pumps.
1974 - Added 60 gpm. well.
1978 - Added standby gas engine
1979 - Added 250 gpm. well.
- Sewer: 1974 - Expanded STP to 430,000 gpd.
1977 - Added sludge storage facilities.
1978 - Added metering equipment.

Order 79-0283

In the Company's 1979 rate case, the Commission in Order 79-0283 dated March 26, 1980, stated the following in finding paragraph 6:

"Within six months of the date of service of this order, Respondent should have instituted a method of maintaining continuing property records in conformity with the Uniform System of Accounts; within said period of time, Respondent should also complete an inventory of its plant and submit same to the Commission for review."

The following is submitted as directed above by the Commission's Order.

Accounting Procedures

The Company has maintained its books in accordance with the Uniform System of Accounts prescribed by the Commission. It has recorded only the "original cost," meaning the cost of such property to the person first devoting it to public service.

In the development of the utility operation, all major projects were covered by work orders where every expenditure associated with the job was charged to the work order, including overhead and allowance for funds used for construction, where applicable. Upon completion of the work, the work orders were closed and the accounts recorded thereon transferred to the prescribed property accounts. Under this procedure, all capital expenditures are recorded at original cost.

In 1970, Oakwood Utility Company was merged with and into Will County Water Company. The transfer was recorded on the books as a statutory merger whereby the property accounts and depreciation reserve of Oakwood was carried over in the same amounts to the books of Will County Water Company (Decision No. 55053, dated 5/31/70).

The Commission has reviewed and approved the accounting records of the Company in the following rate cases:

<u>Decision No.</u>	<u>Date</u>	<u>Comment</u>
57007	5/24/72	Sewer rate increase
59020	10/30/74	Rate increase
59415	10/24/75	Rate increase
79-0283	3/26/80	Rate increase

In the last docket, staff recommended and the Commission approved, \$9,310 be added back into construction cost of Well #4 for engineering cost incurred by the Company, but charged to operating expenses. The Company has capitalized the amount in the second quarter of 1980.

Development of Continuing Property Records

As previously stated, the Company has maintained a work order system, with all major construction covered by contracts.

The procedure used in developing the CPR records was to take each entry on the books for property additions back to the original invoice of the contractor, and from the invoice develop the details for the CPR records. On mains, for example, both the size and footage were verified.

On central water and sewer plants, the Company contracted, with independent contractors, to do the construction work.

On the distribution system, up to 1970, all water lines and sewer collecting systems were installed under contract, by the Company. Starting in 1975, the majority of the distribution has been installed by developers and dedicated to the company. All such property was inventoried, and priced out at construction cost. When such property was recorded on the Company's books, a like amount was recorded as a contribution in aid of construction.

On services, except in 1968 and 1969 and for isolated instances, all services were installed concurrently with the water and sewer lines.

On meters, up to 1976, most installation included a meter vault at the curb. After 1977, meters generally were installed in the house with a remote meter reader.

Accounting Adjustment

During the course of review of the accounting records, the Company found some unrecorded property retirements and property misclassified. A summary of the reclassification of the property is found on pages 36 to 38, as well as all adjusting journal entries. A summary of the adjustment to plant is as follows:

Utility Plant as Recorded 12-31-79	\$2,993,009.48
Less: Retirement and Recorded	
Water	
A/C 325 Elec. Pumping Equipment	500.00
A/C 391 Office Furn. & Equipment	158.10
Sewer	
A/C 332 Treatment Plant	3,655.53
A/C 343 Collecting Lines	<u>393.61</u>
	4,707.24
Less: Invoice paid twice	1,184.40
Less: Item Expensed	<u>247.50</u>
Utility Plant after adjustment	<u>\$2,986.870.34</u>

The Company will make all adjustments and reclassifications at September 30, 1980.

Physical Inventory

Pages 630 to 632 and S-2 of the annual report to the Illinois Commerce Commission summarizes certain physical statistics on the Company. Because of the development of the CPR records, certain adjustments are required, as set forth below.

	<u>Reported</u> <u>12-31-79</u>	<u>Adjustment</u>	<u>As</u> <u>Adjusted</u>	<u>Note</u> <u>Reference</u>
Water Mains (feet)				
Cast Iron				
4"	989	-	989	
6"	62,332	701	63,033	1
8"	10,563	900	11,463	2
10"	(5,535	(355	2,030	3
12"			3,860	
Cement Asbestos				
6"	5,884		5,884	4
8"	2,500	(180)	2,680	
Plastic				
8"	2,700	(79)	2,621	4
Water Services				
1" and less	1,080	(32)	1,048	5
2"	3	-	3	
Over 2"	28	-	28	
Fire Hydrant				
4"x2"x2"	147	2	149	6
Sewer Collection Main (feet)				
VCP				
8" VCP	51,202	156	51,358	4-7
10"	11,178	(40)	11,138	4
12"	6,360	(1,366)	4,994	8
RSM				
18"	879	-	879	
Truss Pipe				
8"	5,394	-	5,394	

	<u>Reported 12-31-79</u>	<u>Adjustment</u>	<u>As Adjusted</u>	<u>Note Reference</u>
Force Main				
4"	240	-	240	
6"	4,197	-	4,197	
Outfall Line				
8"		1,570	1,570	8
12"	1,366	-	1,366	
Sewer Services				
Stubs at End of Year	1,058	(15)	1,043	9
Laterals owned by others	3	-	3	

Note Reference

Note 1 - Adjustment is 6" main in 1968-1969.

Note 2 - 900 feet on Ridge Road extension

Note 3 - Shorewood Industrial Park

Note 4 - The other adjustments reflect the difference between feet from contractor's invoice and engineering estimates.

Note 5 - Most services are double services, with a 1" tap of the main, then a yoke that branches off into two 3/4" service. Because of the inconsistency in classifying these services, they have been classified as 1" and under.

Note 6 - Added four hydrants in Meadowbrook (1971) and eliminated one hydrant that is customer owned, reduced by one the number of hydrants reported in Industrial Park.

Note 7 - In addition to Note 4, 140 feet in 1975 was not added.

Note 8 - 1,366 feet was recorded in both the 12" lines and outfall line. This duplication was removed.

1,570 feet of CA was not recorded.

Note 9 - Only 15 lots were added in unit 5 of Riveroaks.

WILL COUNTY WATER COMPANY

ORIGINAL COST OF PROPERTY

WATER OPERATION

12-31-79

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATION
A/C 301 - ORGANIZATION

<u>Year</u>		<u>Amount</u>
1967	Organizational Expenses	\$ 143.02
1970	Legal & Recording Costs	<u>412.23</u>
	Total - 12/31/79	<u>\$ 555.25</u>

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATION
A/C 314 - WELLS & SPRINGS

<u>Year</u>		<u>Amount</u>
1964	Well #1 (Oakwood) - 6" - 302 ft. well	\$ 1,800.00
1968	Well #2, 15½" hole to 585 feet, 12" hole from 585 to 852 feet, and 10" hole from 852 to 1,499 feet, with liner 852 feet.	22,617.47
1971	Test Well Layne Western	3,516.62
1972	Layne Western - Test Drilling - Larkin Property (142 ft.)	1,190.86
1975	Well #3 - 8" hole - 151 ft., 60 gpm	14,030.76
1979	Well #4 - 10" hole - 202 ft., 255 gpm	<u>\$26,883.00</u>
	Total 12-31-79	<u><u>\$70,038.71</u></u>

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATION
A/C 325 - ELECTRIC PUMPING EQUIPMENT

<u>Year</u>		<u>Amount</u>
1968	Well #2 - Layne Pump H58378, with 100hp US motor, 1800 RPM, 3ph 60 cycle, 460 volts, 600 ft. of 6" column with type 8" RKHC bowl, 24 stages, and 10' of 6" suction	\$ 15,144.34
	Electrical Wiring, including 400 amp for disconnect for water plant and 200amp disconnect for sewer plant	3,180.55
	Electric starter and pressure controller	1,174.06
	Piping - pump to well house	1,350.02
	Commonwealth Edison - Misc. charges	240.28
	Misc. Cost, including black dirt for landscaping as part of cleanup	182.58
	Gas heater	<u>283.55</u>
		21,555.38
1972	Well #2 - A S I Water Booster System, complete with pumps, controls, and piping from, and including, 6" common suction header to, and including common discharge header. All of the above will be mounted and assembled on a special steel platform for installation in the pumphouse by others	6,364.38
	Piping, etc.	1,916.24
	Electric Wiring	2,387.35
	6" Meter (Badger)	603.80
	Air compressor	<u>262.71</u>
		11,534.48

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATION
A/C 325 - ELECTRIC PUMPING EQUIPMENT (cont.)

<u>Year</u>			<u>Amount</u>
1974	Well #2 - Carver 2½ x 3 x 7 Bronze-		
	fitted Pump Serial No. 90860	\$ 804.13	
	Motor Starter and Controller	<u>937.52</u>	1,741.65
1975	Well #3 - 1 - 5 hp Red Jacket Submersible Pump	1,958.71	
	Electrical Switch and Controls	<u>1,252.88</u>	3,211.59
1975	Well #2 - Piping inside well house		310.46
1976	Well #1 - 1500TE-10EC Red Jacket		
	pump, pump cable		1,596.00
	Plastic pipe		167.92
	Gauges		<u>11.43</u>
			1,775.35
1977	Well #2 - Install open phase and phase		
	reversal on 100hp motor (Well #2)		750.00
1978	Well #2 - Waukesha Model VRG232U Natural		
	Gas Engine 12 Volt DC w/Auto start		
	clutch coupling battery rack and cables		
	12 volt DC Starter Residential		
	Exhaust Silencer, Flexible Connector		
	and AC Battery Charger mounted		10,700.00
	10 HP 3-60-230/460 3500 RPM		
	ODP MTR 213JM FR S.Shaft 293-0134		559.75
	30 Amp - 600 volt - 3 phase switch		
	Relays, and electrical wiring		531.92
	Concrete pad		948.72
	Piping (Labor and material)		<u>7,888.41</u>
			20,628.80

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATION
A/C 325 - ELECTRIC PUMPING EQUIPMENT (cont.)

<u>Year</u>		<u>Amount</u>
1979	Well #4	
	1 Dual Section Siemens-Allis Motor Control Center	9,977.64
	1 2" Val-Matic comb. air release valve	263.73
	1 4" Ross 125psi flanged Model 42WRS50CRWR valve	2,548.85
	1 4" McCrometer propeller flowmeter MC0500	887.37
	1 Recorder with 12" circular 7 day chart mtd. in MCC (Bristol & SPD)	1,570.59
	1 6" 100psi U.S. Gauge	61.43
	200 - 3 phase Breaker, wiring, etc.	6,189.85
	1 5 KW electric heater	559.33
	Illinois Bell Telephone circuitry	268.82
	1 30hp, 1800rpm, 230 volt motor, 3 phase, vertical hollow shaft motor with a non-reversable ratchet - 6 stage, 10" RKLC Bowl Assembly with a high cpme stainless steel bowl shaft - 150' of 6" discharge column	13,303.68
	Cleaning, pumping, extending casing, etc. on well	2,831.60
	Well #2	
	1 4" Ross AWR-RS valve	1,982.62
	1 4" Ross Fig. 37 Model 50RWR valve	1,434.99
	1 6" McCrometer MC0500 meter	992.86
	1 1" Val-Matic combination air release valve	193.92
		<u>43,067.28</u>
	Total - 12-31-79	<u><u>\$104,574.99</u></u>

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATION
A/C 332 - WATER TREATMENT EQUIPMENT

<u>Year</u>		<u>Amount</u>
1964	Well #1 - Chlorine Equipment Hyprochlorite pump with a 30-gallon reagent tank	\$ 550.00
	Fluoride Pump Equipment with a 30-gallon reagent tank	<u>680.39</u>
		1,230.39
1968	Well #2 - Chlorine Equipment Hyprochlorite pump with a 30-gallon reagent tank	563.34
1977	Well #3 - Chlorine Equipment Hyprochlorite pump with a 30-gallon reagent tank	695.00
1979	Well #4 - Precision 8011-11 hyprochlori- nator pump 100 psi with polyethylene drum and cover	<u>1,000.00</u>
	Total 12-31-79	<u>\$ 3,488.73</u>

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATIONS
A/C 343 - MAINS

<u>Description</u>	<u>Units</u>	<u>Amount</u>	<u>Unit Cost</u>
4" - C I Mains			
1964 (Oakwood)	\$ 989 ft.	\$ 3,655.88	\$ 3.70
6" - C I Main			
1964 (Oakwood)	667	2,846.18	4.27
1968	2,638	14,799.26	5.61
1969	12,407	68,520.87	5.52
1970	1,454	9,442.21	6.49
1971	1,548	10,038.69	6.48
1972	2,727	21,118.27	7.74
1973	1,891	15,024.07	7.95
1974	2,580	12,426.39	4.82
1977	14,120	129,225.46	9.15
1978	21,085	166,681.55	7.90
1979	1,910	15,573.00	8.15
8" C I Mains			
1968	1,594	10,838.65	6.80
1971	2,468	20,111.21	8.15
1972	1,801	20,205.01	11.22
1977	900	13,520.36	15.02
1978	4,470	43,435.69	9.72
1979	230	3,432.00	14.92
10" C I Main			
1974	1,325	13,922.11	10.51
1978	705	10,767.97	15.27
12" C I Main			
1974	3,860	48,126.62	12.46
6" Transite			
1975	5,884	39,465.58	6.70
8" Transite			
1975	2,660	13,839.47	5.20
8" Plastic Main			
1979	2,621	40,299.98	15.37

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATIONS
A/C 346 & 347 - METERS & METER INSTALLATIONS

<u>Year</u>	<u>Units</u>	<u>Amount</u>	<u>Unit Cost</u>
<u>5/8"</u>			
1964 (Oakwood)	34	\$ 1,625.00	\$ 47.80
1968 & 1969(a)	64	9,683.15	151.30
1970	75	5,097.71	67.97
1971	110	7,620.16	69.27
1972	72	4,805.33	66.74
1973	60	4,138.00	68.97
1974	24	1,044.50	43.02
1975	60	3,907.31	65.12
1976	54	4,590.09	85.00
 Remote Reader			
1977	96	6,640.78	69.17
1978	150	9,848.47	65.65
1979	96	5,160.16	53.75
 <u>1 1/2"</u>			
1968	1	160.67	160.67
 <u>2"</u>			
1972	1	<u>242.98</u>	242.98
Total 12-31-79		<u>\$64,564.31</u>	

(a) Includes \$58.58 each for 212 meter
boxes, yokes, covers, etc.

WILL COUNTY WATER COMPANY
ORIGINAL COST OF PROPERTY
WATER OPERATIONS
A/C 345 - SERVICES

<u>Year</u>	<u>Units</u>	<u>Amount</u>	<u>Unit Cost</u>
1" & Less			
1964 (Oakwood)	34	\$ 2,950.00	\$ 86.76
1968	22	2,715.00	120.00
1969	227	27,165.96	120.00
1970	34	4,827.25	141.98
1971	33	8,853.94	279.30
1972	65	11,659.96	179.38
1973	13	3,448.49	265.27
1974	58	7,058.35	121.70
1975	92	15,467.38	168.12
1976	2	1,049.00	524.50
1977	223	27,370.00	122.74
1978	230	22,180.00	96.43
1979	15	1,425.00	95.00
 2"			
1969	9	-	-
1973	1	-	-
 Over 2"			
1970 (Troy School)	1	-	-
1974 (Industrial Park)	27	6,063.00	224.55
Total 12-31-79		<u>\$142,233.33</u>	